

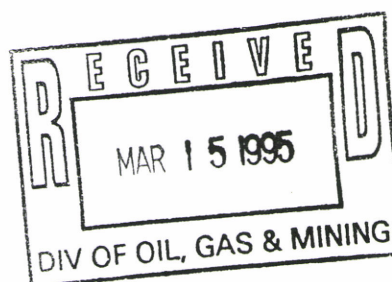
ANDALEX
RESOURCES, INC.
Tower Division

P.O. BOX 902
PRICE, UTAH 84501
PHONE (801) 637-5385
TELECOPIER (801) 637-8860

Incoming
0070033
OK

March 10, 1995

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



Attn: Pamela Grubaugh-Littig, Permit Supervisor

Re: ACT 007/033 Wildcat Bond Rider

*Original to file
copy to #4*

Dear Ms. Littig:

Enclosed are the updated reclamation agreement forms which you asked us to furnish.

Please call with any questions.

Sincerely,

Michael W. Glasson
Senior Geologist

mwg/rr

Enclosures

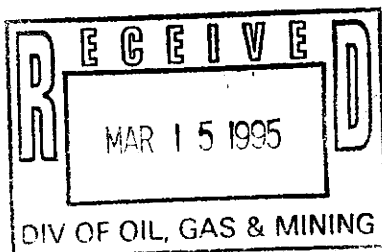
Page 4 of ____

RECLAMATION AGREEMENT

EXHIBIT "A"

SURFACE DISTURBANCE

LEGAL DESCRIPTION



Bond No. 400776222

Page ____ of ____

Exhibit "A" - **SURFACE DISTURBANCE**

Permit Number: ACT 007/033
Effective Date: MAY 1989, 1994

SURFACE DISTURBANCE
--ooOOoo--

In accordance with the **RECLAMATION AGREEMENT**, the **PERMITTEE** intends to conduct coal mining and reclamation activities on or within the **SURFACE DISTURBANCE** as described hereunder:

Total acres of **SURFACE DISTURBANCE**: 63.7

Legal Description of **SURFACE DISTURBANCE**:

T13S, R9E, SLM
SECTION 33: SEE--PLATE 2 OF ACT 007/033, "BONDED AREA"

This **SURFACE DISTURBANCE** is covered by the reclamation surety provided in Exhibit B.

IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this
6TH day of MARCH, 19 95.

Continental Casualty Company

SURETY
By: 

Susan L. Osborne, Attorney-in-Fact
Title: _____



POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Bruce L. Ferguson, Bruce W. Ferguson, Patricia S. Lee, Susan L. Osborne,
Individually

of Louisville, Kentucky

Its true and lawful Attorney-in-fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The President or a Vice President may, from time to time, appoint by writtencertificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 3rd day of April, 1957.

"Resolved, that the signature of the President or Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 27th day of April, 19 90

CONTINENTAL CASUALTY COMPANY

State of Illinois }
County of Cook } ss



J. E. Purtell

J. E. Purtell

Vice President.

On this 27th day of April, 19 90, before me personally came J. E. Purtell, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Glenview, State of Illinois; that he is a Vice-President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey

Linda C. Dempsey

Notary Public.

My Commission Expires November 12, 1990

CERTIFICATE

I, Robert E. Ayo, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of Article IX of the By-Laws of the Company and the Resolution of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said Company this 6th day of March, 19 95



Robert E. Ayo

Assistant Secretary

EXHIBIT "D"
STIPULATION TO REVISE
RECLAMATION AGREEMENT

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

Permit Number: ACT 007/033

Effective Date: MAY 1989, 1994

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions Below)

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**:

_____ Replace the **RECLAMATION AGREEMENT** in its entirety.

xx Replace Exhibit "A" - **SURFACE DISTURBANCE**.

_____ Replace Exhibit "B" - **BONDING AGREEMENT**.

_____ Replace Exhibit "C" - **LIABILITY INSURANCE**.

The **BONDING** amount is revised from (\$_____) to (\$_____).

The **SURFACE DISTURBANCE** is revised from 60.0 acres to 63.7 acres.

The **EXPIRATION DATE** is revised from _____ to _____.

The **LIABILITY INSURANCE** carrier is changed from _____
to _____.

The **AMOUNT** of **INSURANCE** coverage for bodily injury and property damage is changed from (\$_____) to (\$_____).

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this 6TH day of MARCH, 19 95.

ANDALEX RESOURCES, INC.

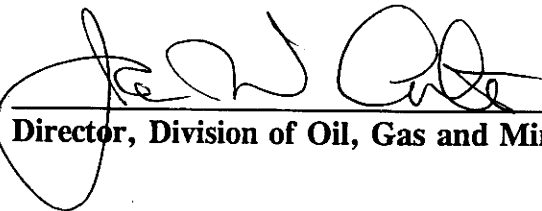
PERMITTEE

By: 

JOHN BRADSHAW

Title: VICE PRESIDENT OF FINANCE

ACCEPTED BY THE STATE OF UTAH:


Director, Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.